

# **Issue Management System (IMS), Release 3.5 – Privacy Impact Assessment (PIA)**

**PIA Approval Date: August 24, 2009**

## **System Overview**

Issue Management System (IMS) is designed to be used by Revenue Agents and Specialists during the process of performing a tax examination of an LMSB taxpayer. IMS supports issue identification, tracking, and management through a suite of automated tools. Data gathered during the examination will be stored in a central repository. This data will be used in support of LMSB performance measures and will be available for analysis by LMSB planners to support and refine the case classification and selection process. IMS enables a collaborative work environment allowing for review, support, and remote access of case information through a web browser.

## **Systems of Records Number(s) (SORN):**

- Treas/IRS 42.001 Examination Administrative files
- Treas/IRS 34.037 IRS Audit Trail and Security Records system

## **Data in the System**

### **1. Describe the information (data elements and fields) available in the system in the following categories:**

- A. Taxpayer – IMS contains corporate taxpayer data, which automatically creates IMS cases that consist of one or more tax returns for the same taxpaying entity. Corporate data from ERCS (Examination Returns Control System) is the source for the IMS repository. Tables are created which represent each of the following tax forms: 720, 720-TO, 720-CS, 2290, 730, 11-C, 637, 8849, 941, 1042, 1065, and 1120. Types of data collected: Taxpayer ID, TIN, Taxpayer Business ID, Business Name, taxpayer contact name, professional title; tax return exam ID and filing period; address; relationship; telephone number; percent of stock ownership by corporate officer.
- B. Employee – IMS collects information on the employee working the taxpayer account. Types of information collected: IRS employee, time worked (provides managers information needed to track and report statistics, i.e., time spent working an issue, who is working an issue, who is available for issue assignment), position (user class for security level), userid, login, password.
- C. Audit Trail Information – IMS has application audit logging configured per LEM 10.8.3. The audit events for case creation, adding entities, issues, team members on a case. The audit function will collect the following data: Time worked on issue; update timestamp, entry timestamp, userid/entry userid, and password. The Issue management system integration will provide a single entry timekeeping function for each examiner. Using time tracked by issue, IMS will be able to provide the following reports for each examiner. These reports will be automatically populated from the one time entry:
  - prepare the Form 3081 for payroll;
  - prepare the ERCS time input report for updating SETTS;
  - prepare the Form 9984 (Examining Officer's Activity Record);
  - reports for management accounting for non direct examination time.

- D. Other – Conceptual entity categories: Tax returns, cases, case information, case resolution, work items, work item comments, work item communications, work item information, work item issue, work item notice, work item status, issue, SAIN (Standard Accounting Index Number), uniform issue listing.

**2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.**

- A. IRS: **ERCS** - The Examination Returns Control System is an inventory system for controlling tax returns and technical time charges at the group level. ERCS provides group managers with a complete system of inventory management of all open cases in the group. ERCS also collects time applied information on a case-by-case basis. This enables ERCS to generate area-wide time applied reports. In addition to revenue agent groups, ERCS provides complete purging information for tax compliance officers, eliminating the need for purge files. ERCS also allows Technical Services, Planning and Special Programs Branch (PSP), and Case Processing to control their large and rapidly changing inventories.

- ERCS Data Elements: Data elements will be the same as listed in Question 1.

**SETR** – Single Entry Time Reporting is a system that captures employee time for purposes of personnel benefits and payroll. The SETR system tracks all time worked, leave taken, and hours in non-pay status. IMS captures data for input into the SETR system.

- SETR data elements: employee SSN, employee first initial, middle initial and last name, time worked by category each day of the pay period, clock time for all hours paid but not worked.

Integrates with and becomes part of the current production environment (ERCS, SETTR and BRTF).

- B. Taxpayer: ERCS represents IRS data sources from which information about a taxpayer is gathered in support of the examination process as documented by IMS. Data elements will be the same as listed in Question 1.

C. Employee: CADS – The Corporate Authoritative Directory Service system is an IRS Intranet web based tool used to locate people by their name, organization or location. Data to populate CADS is drawn from: Totally Automated Personnel System (TAPS); Treasury Integrated Management Information System (TIMIS), and Foundation Information for Real Property Management system (FIRM). The Standard Employee Identifier (SEID) is a unique computer generated employee identifier consisting of five alphanumeric characters.

- Data elements will be the same as listed in Question 1.

**3. Is each data item required for the business purpose of the system? Explain.**

Yes. The main activity is to ensure compliance with tax laws. It also addresses other strategic goals, such as the identification of abusive tax shelters. The vision includes the ability for the LMSB staff to share knowledge regarding issues under development, pre-filing agreements, abusive tax shelters, etc., and provides a system for issue identification, tracking and reporting to greatly improve the examination process.

IMS supports two categories: The tax examination process includes all processes performed to provide tax return and tax case information to revenue agents and processes in support of the actual tax examination.

For tactical and strategic management and planning, IMS gathers key data to enable managers to monitor and control the execution of the examination plan. Issue data gathered across cases and industries provides managers and strategic planners with information regarding trends in tax compliance.

**4. How will each data item be verified for accuracy, timeliness, and completeness?**

IMS relies on the integrity of the underlying databases that are integrated into the server database. The verification will be performed by the Team Manager, Team Coordinator, Team Members and International Territory and Group Managers.

**5. Is there another source for the data? Explain how that source is or is not used.**

No. There are no other sources for the data in IMS.

**6. Generally, how will data be retrieved by the user?**

The data can be retrieved by TIN and geographic location of the taxpayer, through ERCS, to an entity under examination, depending on user access permissions.

**7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?**

Yes. The Taxpayer Identification Number is used for retrieval of data. The team coordinator or manager will assign agents to specific tasks. The userid assigned to agents will determine the taxpayer data that the user is permitted to access along with the type of access (read, update, delete). All information related to userid assignment is stored in the userid entity.

**Access to the Data**

**8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?**

Only employees having the need to know as a result of their assigned duties will have access to the data in the system. Only Managers to assign case work; Users to perform case work; System Administrators to modify user interface needs; and Developers to modify databases, will have access to data in the system. In addition, IRS Researchers, Reviewers, and IRS Executives may have access as part of their official duties. Contractors employees have signed Live Data Waivers, received necessary Live Data Training, and non-disclosure agreements per IRS regulations.

**9. How is access to the data by a user determined and by whom?**

Case Management will associate the tax return with developing issues, working papers and other data relevant to an audit. The team coordinator or manager will assign individuals/teams needed to complete specific tasks for the examination.

Access is granted through the On-Line 5081 by the Manager, and the IMS system administrator.

**10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.**

Yes. The IMS supports case closing by electronically interfacing to current production environments.

- BMF/EDW – Business Master File/Enterprise Data Warehouse – tax return data (file); IMS does not change tax return data. The CRIS (Compliance Research Information System) is a potential source for BMF/BRTF data.
- ERCS – Examination Returns Control System – initial domestic case data (file).

- SRS – Specialist Referral System – manual entry.
- SETR – TIMIS – time reporting data (file).
- CADS – Corporate Authoritative Directory Service – personnel data (light weight directory access protocol – LDAP).
- SAAS – is the recipient of application audit logs.
- CADE – Customer Accounting Data Engine – IMS does not change data.
- Reference Data Sets – i.e., zip codes, organizational codes, etc., (file)

Yes, for Excise, in addition to the systems described about for LBSB, IMS will also receive data from the ExFIRS ODB regarding Form 637 registration information.

**11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?**

- SRS – (C&A) 6-16-09, (PIA) 5-5-09
- CADE – IMF & BMF – (Release 4.2 PIA) 1/28/08, (C&A) 4/2/09
- BMF/Enterprise Data Warehouse – (PIA) 4/10/07, (C&A) 6/14/07
- ERCS – (PIA) 3/3/08, (C&A) 5/29/08
- SAAS – (C&A) 6-19-07, (PIA) 10-31-06
- SETR (Under TAPS) – (PIA) 4/1/08, (C&A) 4/1/09
- CADS - (C&A) 9-27-07, (PIA) 2-27-07

**12. Will other agencies provide, receive, or share data in any form with this system?**

No. GAO, Census Bureau and TIGTA do not provide, receive or share data with the Issue management system integration. It is understood that any information would be made available to TIGTA, should an investigation be initiated for those matters under TIGTA's charge.

**Administrative Controls of Data**

**13. What are the procedures for eliminating the data at the end of the retention period?**

All information related to the examination will be removed from the examiner's laptop upon closing the case. All information on the examiner's laptop will be stored in a central repository and will be retained following the records retention guidelines as set forth in IRM 1(15)59.22-9, and Records Control Schedule 202.

**14. Will this system use technology in a new way?**

No.

**15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.**

Yes. Examination issues represent areas of non-compliance with the tax code. By tracking these issues, the IRS will be in a better position to offer taxpayer assistance to correct or eliminate areas of non-compliance.

**16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.**

No.

**17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?**

No.

**18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?**

Yes. All taxpayer rights are the same using the IMS system as an examination conducted without the use of the IMS system.

**19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?**

IMS web portal has long range planning, fiscal year planning, Exam Plan III modules. The access to web portal is done by checking user credentials from Active Directory. No persistent cookies or other tracking devices are used to identify web visitors.

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